



# Memorandum

PSC/2024-10/112

To: Members of the Passenger Standards Conference (PSC)  
Copy: PSC Observers  
From: Head Passenger Standards  
Date: 05 October 2024  
Subject: [Montreal Convention - Revision of liability limits as of 28 December 2024](#)

---

Please be advised of an ongoing ICAO Review of limits of liability conducted by ICAO under Article 24 of the Montreal Convention 1999 – Notification of revision of limits of liability as shown in the enclosed notification from ICAO.

The revised limits shall become effective for all States Parties to the Montreal Convention 1999 on **28 December 2024** unless a majority of the States Parties register their disapproval with ICAO no later than 30 September 2024. IATA Secretariat is currently awaiting formal notification from ICAO about the completion of the process.

The revision impacts the text of Resolution 724 Ticket Notices as shown below:

**“Where the Montreal Convention applies, the limits of liability are as follows:**

- 1. There are no financial limits in respect of death or bodily injury of passengers. For damages not exceeding ~~128,821~~ [151,880](#) Special Drawing Rights (approximately US \$~~178,000~~ [200,500](#)) for each passenger, the carrier shall not be able to exclude or limit its liability.**
  - 2. In respect of destruction, loss of, or damage or delay to baggage ~~4,288~~ [1,519](#) Special Drawing Rights (approximately EUR ~~1,600~~ [1,900](#); US \$~~1,800~~ [2,000](#)) per passenger in most cases.**
  - 3. In respect of damage occasioned by delay in the carriage of persons ~~5,346~~ [6,303](#) Special Drawing Rights (approximately EUR ~~6,600~~ [7,700](#); US \$~~7,400~~ [8,300](#)) per passenger in most cases.**
- EC Regulation No. 889/2002 requires European Community carriers to apply the provisions of the Montreal Convention limits to all carriage by them of passengers and their baggage by air. Many non-European Community carriers have elected to do so in respect of the carriage of passengers and their baggage.”**

As soon as a formal notification has been received from ICAO, PSC Secretary expects to launch a mail vote to modify the limits of liability shown in Resolution 724 with a proposed effectiveness date of **28 December 2024**.

## Action required:

- a) Members to take note of the ongoing revision of limits;
- b) Members to take cognizance of the revised limits of liability;
- c) Members to communicate within their organizations and make provisions as necessary to implement regulatory changes reflecting the revised liability limits, once effective;
- d) Members to take note of the expected mail vote to modify Resolution 724 to be launched as soon as the formal notification from ICAO has been received.

Best regards,

Marie Masserey  
Head, Passenger Standards and PSC Secretary

[Attachment A: ICAO Notification \[Ref: LE 3/38.1-IND/24/4\]](#)



International  
Civil Aviation  
Organization

Organisation  
de l'aviation civile  
internationale

Organización  
de Aviación Civil  
Internacional

Международная  
организация  
гражданской  
авиации

منظمة الطيران  
المدني الدولي

国际民用  
航空组织

Tel.: +1 (514) 315-3505

Ref.: LE 3/38.1-IND/24/4

28 June 2024

**Subject:** Review of limits of liability conducted by ICAO under Article 24 of the Montreal Convention 1999 – Notification of revision of limits of liability

**Action required:** a) to take note of revision of limits; b) to take cognizance of the revised limits of liability that shall become effective for all States Parties to the Montreal Convention 1999 six months following this notification (i.e. 28 December 2024) unless within three months of this notification, i.e. no later than **30 September 2024**, a majority of the States Parties register their disapproval with ICAO; and c) to make provisions to adjust as necessary implementing legislation to take into account the revision of the liability limits once effective

Sir/Madam,

1. I have the honour to refer to the *Convention for the Unification of Certain Rules for International Carriage by Air*, done at Montreal on 28 May 1999 (Doc 9740) (Montreal Convention 1999). The Convention establishes in Articles 21 and 22 the liability limits of the air carrier for damages in relation to the carriage of passengers, baggage and cargo. The amounts so established are expressed in Special Drawing Rights (SDRs), a unit of account created by the International Monetary Fund (IMF).

2. The SDR is defined as a basket of currencies whose composition is periodically reviewed by the IMF to ensure that it reflects the relative importance of currencies in the world's trading and financial systems. Today, the basket of currencies consists of the Chinese yuan, Euro, Japanese yen, U.K. pound and U.S. dollar. The table below illustrates the history of the basket composition and weights:

SDR Valuation Basket Percentage Weights					
	2001-05	2006-10	2011-15	2016-22*	2022**
U.S. dollar	44	44	43	42	43
Euro	31	34	37	31	29
Japanese yen	14	11	9	8	8
U.K. pound	11	11	11	8	7
Chinese yuan	-	-	-	11	12

\*valuation as of October 2016, date of the inclusion of the Chinese yuan in the basket of currencies of the SDR by the IMF

\*\*valuation as of 1 August 2022

Source: IMF – Finance Department

3. At the Diplomatic Conference which adopted the Montreal Convention 1999, States were mindful of the need to ensure that the limits of liability retain their economic value with the passage of time and that they would not erode due to inflation or other economic factors subsequent to the coming into force of the Convention.

4. To take this into account, the Convention provides in Article 24 (Review of Limits) a built-in mechanism, sometimes referred to as the escalator clause, which sets out the process for a periodic review and revision as necessary of the aforementioned limits of liability. The review mechanism was deliberately designed along the lines of a tacit approval process, ensuring general application while involving all States Parties.

## REVIEW UNDER ARTICLE 24 OF THE CONVENTION

5. Article 24 provides that the limits of liability be reviewed by the Depositary (ICAO) at five-year intervals. Following the first such review, the limits of liability were adjusted for all States Parties with effect as of 30 December 2009 by a factor of 13.1 per cent (State letter LE 3/38.1-09/87 refers). The second review necessitated no increase at the time (EB 2014/035 refers). Following the third review, the limits of liability were adjusted for all States Parties with effect as of 28 December 2019 by a factor of 13.9 per cent (State letter LE 3/38.1-19/70 refers).

6. In its relevant part, Article 24, paragraph 1, stipulates that the limits shall be reviewed by reference to an inflation factor which corresponds to the accumulated rate of inflation since the previous revision. The measure of the rate of inflation to be used in determining the inflation factor is the weighted average of the annual rates of increase or decrease in the Consumer Price Indices of the States whose currencies comprise the SDR. It is now necessary to consider the inflation factor since 2018.

## RESULTS OF REVIEW – DETERMINATION OF INFLATION FACTOR

7. Historical Consumer Price Index (CPI) data was obtained from the IMF World Economic Outlook Database, April 2024 Edition, available on the IMF public website. This database is usually updated in April and September of each year. The table below summarizes the analysis regarding the annual per cent change in average consumer prices for the period concerned:

Inflation, Consumer Price Index (CPI)											
Year	United States		Euro area		Japan		United Kingdom		Chinese yuan		SDR weight
	CPI annual percentage change	SDR weight	CPI annual percentage change	SDR weight	CPI annual percentage change	SDR weight	CPI annual percentage change	SDR weight	CPI annual percentage change	SDR weight	
2018											100.0
2019	1.8	0.42	1.2	0.31	0.5	0.08	1.8	0.08	2.9	0.11	101.6
2020	1.2	0.42	0.3	0.31	-0.0	0.08	0.9	0.08	2.5	0.11	102.6
2021	4.7	0.42	2.6	0.31	-0.2	0.08	2.6	0.08	0.9	0.11	105.7
2022	8.0	0.43	8.4	0.29	2.5	0.08	9.1	0.07	2.0	0.12	113.2
2023	4.1	0.43	5.4	0.29	3.3	0.08	7.3	0.07	0.2	0.12	117.9

Source: IMF - World Economic Outlook Database, April 2024

## REVISION OF LIABILITY LIMITS

8. As a result of the above review and calculations set out in paragraph 7 above, the inflation factor for the relevant review cycle has been **determined to exceed 10 per cent**, the threshold stipulated in the Convention for triggering an adjustment of the limits of liability.

The determined inflation factor is **17.9 per cent**. As a consequence, the limits of liability would need to be adjusted as follows:

<i>Montreal Convention 1999</i>	<i>Original limit (SDRs)</i>	<i>Revised limit (SDRs) as of 28 December 2019</i>	<i>Rounded Revised limit (SDRs)*</i>
Article 21	100 000	128 821	151 880
Article 22, paragraph 1	4 150	5 346	6 303
Article 22, paragraph 2	1 000	1 288	1 519
Article 22, paragraph 3	17	22	26

\*For ease of reference, one SDR was valued on 12 June 2024 at U.S. \$ 1.32.

## NOTIFICATION TO STATES PARTIES

9. In accordance with Article 24, paragraph 2, of the Convention, ICAO has to notify States Parties to the Montreal Convention 1999 of the outcome of the review and the revisions of the limits. In line with the tacit approval mechanism spelled out in paragraph 2 of Article 24, the said revisions **shall become effective for all States Parties six months following this notification, unless within three months after this notification a majority of States Parties have registered their disapproval with ICAO.** Should the latter occur, the revisions would not become effective and ICAO would be required to refer this matter to a meeting of the States Parties (Diplomatic Conference). The current list of States Parties to the Montreal Convention 1999 can be found on the ICAO public website ([www.icao.int](http://www.icao.int)) as part of the Legal Bureau's Treaty Collection.

10. Accordingly, in the absence of notifications of disapproval received from a majority of States Parties to the Montreal Convention 1999 by no later than **30 September 2024**, ICAO will notify all signatories and States Parties in accordance with Article 53, paragraph 8 (d), regarding the date of the coming into force of the revised limits of liability.

11. In light of this situation, States may find it opportune to make provisions as necessary in accordance with their domestic legal requirements to give full effect to the revised limits, once effective.

Accept, Sir/Madam, the assurances of my highest consideration.

Juan Carlos Salazar  
Secretary General